

ARTICLE ROUND UP

September 2009

ECONOMIC SECURITY & TRADE

1. Speech of Consul General Kenneth Fairfax at the Conference on Trade and Investment in Binh Duong Province on September 22, 2009

According to the speaker, Binh Duong's leadership, its people, and businesses deserve tremendous credit and thanks for their work in creating a new way forward in promoting economic growth in Vietnam. American businesses have benefitted from the province's success, and have also played a constructive role in helping Binh Duong to achieve prosperity.

2. U.S.-Vietnam Relations in 2009: Current Issues and Implications for U.S. Policy

Mark E. Manyin. Specialist in Asian Affairs at the U.S. Congress. July 29, 2009, 28 pages.

The United States and Vietnam are working to improve relations across a wide spectrum of issues. Economic ties are the most mature aspect of the U.S.-Vietnam bilateral relationship. Human rights issues remain the biggest thorn in the side of the bilateral relationship.

3. The Global Financial Crisis and Development Strategy for Emerging-Market Economies

William R. Cline. Peterson Institute for International Economics, June 23, 2009, 9 pages.

The global financial crisis of 2008–2009 calls for reexamination, not only of industrialized countries' financial systems, but also of emerging markets' growth models. The author discusses why key emerging markets, no longer able to rely on rising trade surpluses against industrialized countries, must reorient their growth strategies toward production for domestic demand and expanded trade with emerging-market partners.

4. The Changing Political Dynamics of East Asian Financial Cooperation: The Chiang Mai Initiative

Hyoung-kyu Chey. Asian Survey, May/June 2009, 18 pages.

The author analyzes the factors that have contributed to the development of the Chiang Mai Initiative, a financial agreement among the members of the Association of Southeast Asian Nations (ASEAN). It is one of the most prominent examples of recent East Asian financial cooperation, and the author contrasts its results with those of the failed 1997 proposal for an Asian Monetary Fund.

5. Do CEOs Matter?

Harris Collingwood. The Atlantic, June 2009, 5 pages.

Can a Chief Executive Officer (CEO) -- even one as talented and visionary as Apple Inc.'s ailing CEO Steve Jobs -- really make or break a corporation? Many business scholars have grown skeptical of the idea that a CEO can be a superhero. The author discusses the importance of corporate CEOs relative to the success of their companies.

6. The Coming Consequences of Banking Fraud

J.S. Kim. Seeking Alpha, posted September 9, 2009.

The author, an independent financial advisor and analyst, writes that the rally in Western stock markets in recent months has been the result of financial fraud, a "scheme executed by an elite global financial oligarchy ... to fool the world into believing that global economies are recovering." Kim contends that the banking and financial establishments have engaged in transactions that have been kept secret from the public and "will have severe and negative consequences in the not-so-distant future" -- and that the blowback from these activities will exceed the downturn the world experienced in 2008. According to the author, in view of worsening economic data, the current stock market rally only makes sense when viewed through the prism of fraud, with the rise of computerized ultra-fast high-frequency proprietary trading programs, and the fact that much of the trading volume in recent weeks has been in only a handful of financial firms. He adds that all government-produced economic statistics "have been massively distorted towards the side of optimism and away from reality" during financial crisis, and that this false front of optimism has been abetted by financial journalists. Currently available online at http://seekingalpha.com/article/160619-the-coming-consequences-of-banking-fraud?source=article_sb_popular

SOCIAL ISSUES & GOVERNANCE

7. Why Capitalism Fails

Stephen Mihm. Boston Globe, September 13, 2009.

The author, professor of history at the University of Georgia, notes that a hitherto obscure economist named Hyman Minsky, who died over a decade ago, has become recognized as the most prescient thinker about the current financial crisis. Minsky, who spent the latter part of his career in isolation, and was little-known at the time of his death, argued that modern finance is inherently unstable, creating the conditions for its own downfall. Mihm notes that Minsky believed that the work of renowned economist John Maynard Keynes amounted to an admission that capitalism, far from tending toward equilibrium, was prone to collapse. Minsky was not a fatalist, though -- he believed that it was possible to craft solutions to alleviate the worst effects of an economic crisis. He advocated a "bubble-up" approach, in which money would be given to the poor and unskilled, and government would provide minimum-wage guarantees, an approach that Mihm concedes would not be very palatable today. Currently available online at http://www.boston.com/bostonglobe/ideas/articles/2009/09/13/why_capitalism_fails/?page=full

8. A New Capitalism – or a New World?

David Schweickart. *World Watch*, vol. 22, no. 5, September-October 2009, pp. 12-19.

Schweickart, philosophy professor at Loyola University in Chicago, argues that "we must move beyond capitalism if humanity is to flourish". He notes that capitalism, as currently practiced, depends on nonstop growth to remain healthy, and discounts the natural resources and ecological systems that it exploits. Schweickart proposes a system of democratized labor, in which businesses are communities, not legal entities that can be bought and sold; and democratized capital, in which financing is arranged through government taxation or public banks. He points to the Mondragon Corporacion Cooperativa in the Basque region of Spain, an enterprise already half a century old, as evidence that such an economy would be viable.

9. The Limits of Control

Pamela Podger, *American Journalism Review*, June/July 2009.

For journalists today, social networking sites are increasingly blurring the line between the personal and professional. This creates a host of ethics and etiquette questions for news organizations, which are crafting guidelines for the growing number of staffers using social networks. Generally speaking, advice to journalists is that they identify themselves as journalists, tell recipients they are using social networks in a professional capacity, and remain mindful that people will regard

them as representatives of their news organizations. Amy Webb, principal consultant at Webbmedia Group in Baltimore, says that news organizations should be pondering the privacy and safety issues of the new crop of tools, including location-aware services. "When a New York Times reporter logs on to Facebook from his mobile phone, he's sharing a lot more information than his status updates. He's sharing the content he wrote and his location," Webb says. "There are safety and privacy issues around this." Currently available online at <http://www.ajr.org/Article.asp?id=4798>

10. The New Threat to Oil Supplies: Hackers

Greg Grant. Foreign Policy, August 25, 2009.

Offshore drilling rigs are becoming increasingly computerized and remote-controlled, a trend that renders them vulnerable to sabotage, as proved by a recent case in California, which involved a disgruntled contractor who hacked into the shore-to-rig communications system. Most new oil discoveries are in deep ocean waters, a very dangerous environment for "roughnecks". Expenses for living quarters, feeding and evacuation of crews have become prohibitively high, hence the move to remote-controlled rigs. While the rigs employ state-of-the-art robotics, the computer software controlling the rig is often decades old, notes the author. He notes that the possibility of cyberattack will only grow, as governments and companies around the world vie for ever-more scarce global oil reserves. Currently available online at http://www.foreignpolicy.com/articles/2009/08/25/the_new_threat_to_oil_supplies_hackers

11. Appropriate Technology for the Developing World

Ian Woofenden. Home Power, No. 133, October/November 2009, pp. 80-85.

The author, a wind-energy consultant, and the Costa Rica coordinator for Solar Energy International, writes that properly executed, renewable-energy technologies in the developing world can provide for sustainability and a higher quality of life, and enable developing-world communities to "avoid some of the poor development choices we in the 'prematurely developed' world have made." Woofenden explores the technologies that work best in many countries, such as solar cooking, which reduces the pressure on natural resources and the time and effort spent in gathering firewood; solar electricity, which can reliably power lights, schools and medical clinics without forcing residents to purchase candles or kerosene; methane biodigesters, for the microbial breakdown of manure into cooking gas; hydroelectricity, making use of running water to generate power; and solar water heating and purification. He writes that his own field, wind energy, is not always

the best technology to use in many rural locations in developing countries, due to the lack of suitable sites for the technology and the greater need for regular maintenance and repair. The article includes online and print resources for further information.

12. The Women's Crusade

Nicholas Kristof, Sheryl WuDunn. New York Times Magazine, August 23, 2009, pp. 28-39.

In many parts of the world, women are routinely beaten, raped or sold into prostitution; they are denied access to medical care and education, and have little or no economic and political power. Changing that could change everything, write the authors, saying that "the oppression of women worldwide is the human rights cause of our time." The liberation of women could help solve many of the world's problems, from poverty to child mortality to terrorism. The United Nations has estimated that there are five thousand honor killings a year, the majority in the Muslim world; at the same time, only one percent of the world's landowners are women. Still, they note that things are changing; educating girls and empowering women can help reduce power differentials and fight extremism. For example, in Egypt, 98% of people say they believe that "girls have the same right to education as boys." This is one of a series of articles in a special issue of the magazine entitled *Saving the World's Women*. Currently available online at <http://www.nytimes.com/2009/08/23/magazine/23Women-t.html#>

13. The Female Economy

Michael J. Silverstein and Kate Sayre. Harvard Business Review, September 2009 pages 46, 48-53.

According to the authors, women now drive the world economy. Nevertheless, despite women's dominant buying power, many companies continue to market mostly to men, and fail to explore how they might meet women's needs.

14. Journalism as A Civic Practice

Doug Oplinger, Connections: The Kettering Foundation's annual newsletter, 2009, pp. 14-15.

Even a financially imperiled news organization can continue to be the "chronicler and conscience" of its community, says Oplinger. He uses the *Akron (Ohio) Beacon Journal* as an example. Without compromising its journalistic integrity, he writes, the newspaper collaborated with its media competitors and the city's special interests on a civic journalism project that, starting in 2006, explored the hopes and fears of America's "disappearing middle class." The project blossomed into a long series of stories and several public events. "Collaborations such as the *Beacon*

Journal's middle-class project may begin to rewrite the rules of engagement for civic journalism," Oplinger writes. The project worked because it not only raised awareness of a problem, but also helped drive the discussion, he says. Available online at http://www.kettering.org/media_room/periodicals/connections

REGIONAL SECURITY

15. The United States and the Asia Pacific Region: National Interests and Strategic Imperatives

James J. Pryztup. Strategic Forum No. 239, April 2009, 5 pages.

The author, a senior research fellow at the Institute for National Strategic Studies, discusses the enduring nature of U.S. interests in the Asia-Pacific region and the role America will play in shaping the future of this region. The article focuses on the strategic imperatives that will confront the Obama administration's policymakers.

16. A Global Problem: Cyberspace Threats Demand An International Approach

David Wilson (Maj.). Armed Forces Journal, July 2009.

Cyberspace has changed the way people communicate forever, the author writes, but with that change comes a host of new problems, including identity theft, computer viruses, the defacement of websites, and network intrusions. He says cyberspace has become "an entity unto itself, not controlled by anyone, but affecting all in one form or another." Nations need to establish mutually agreed-upon standards to help resolve problems plaguing cyberspace, including cybercrime. Wilson, who is Chief of Cyberlaw at the Army's U.S. Space and Missile Defense Command, advocates setting up an international organization comprised of cyber-faring nations to oversee the borderless domain of international cyberspace. Such an organization would promote collaboration by governments and industry on software and filtering standards, which are needed to block viruses and create an international firewall. He also calls for the creation of an international cyberspace convention to monitor the health of cyberspace and to deal with problems. Within that context, the author says, an international Computer Emergency Response Group must be created.

Available online at <http://www.armedforcesjournal.com/2009/07/4062667/>

17. Countering Piracy in the Modern Era

Notes from a RAND Workshop to discuss the best approaches for dealing with piracy in the 21st century

Currently available at

http://www.rand.org/pubs/conf_proceedings/2009/RAND_CF269.pdf

GLOBAL ISSUES & ENVIRONMENT

18. Climate Science 2008: Major New Discoveries

Kevin Levin and Dennis Tirpak. WRI Issue Brief, July 2009, 28 pages.

The authors argue that human activity is the primary cause of rising temperatures and that climate change impacts are accelerating. This article is a timely synthesis of the current understanding of global warming at a critically important time for the United States and the world, focusing on important advances relating to technologies that could help to reduce greenhouse gas emissions in the future.

19. Wind Power's Weird Effect

Jonathan Fahey. Forbes Magazine, September 7, 2009.

The news about wind power is mixed, notes the author. The good news is that, thanks to cheap wind energy, in some parts of the country, when there is too much power on the grid, wholesale power prices are now dropping to zero or below at certain times of the day. The bad news is that wind turbines spin the most at night, when demand is low; and least during the afternoons, when more power is needed. Some power plants are hard-pressed to power down when wind power is at its highest. In the long run, the wind power boom could push daytime prices higher. To balance out fickle wind turbines, utilities will need electricity during peak times from gas-fired plants; their intermittent power will be expensive. Currently available online at <http://www.forbes.com/forbes/2009/0907/outfront-energy-exelon-wind-powers-weird-effect.html>

20. In Search of Effective and Viable Policies to Reduce Greenhouse Gases

Nicholas Burger et al. Environment, May/Jun 2009. 12 pages.

In part, the political viability of this approach depends on the perceived affordability of lower-carbon options in transportation, as well as the availability of funding to finance burden sharing. The author states that there would need to be a commitment and a plan for transportation fuel emissions to be subsequently added to the control system.

21. Increased Flooding Risk: Global Warming's Wake-Up Call for Riverfront Communities

National Wildlife Federation 2009, 11 pages.

Global warming has caused a higher incidence of heavy rainfall events in the United States over the last few decades, along with an increased likelihood of devastating floods. This flyer provides guidance for riverfront communities to reduce the risk of major floods in the U.S. [This flyer may also serve as a model for developing countries, which may be able to borrow from the American experience.]

U.S. SOCIETY & CULTURE

22. The Persistence of Writing

Thomas Burkdall. Educause Review, May/June 2009, 3 pages.

Is the teaching of writing becoming a more difficult exercise because of mounting cultural pressures against reading and writing? The author, Director of the Writing Program at Occidental College in California, discusses how multimedia expression is dominating intellectual discourse, focusing on the future of the written word and its system.

23. Ten Elements Every High School Should Have in Place

The Education Digest, May 2009, 3 pages.

How effective is your community's high school in educating its students? This article explores 10 key elements that are necessary to ensure effective high school education, including classes that challenge students and instill key skills in them, strong relationships between teachers and students, and the participation of families and the community.

24. Out of the Kitchen, Onto the Couch

Michael Pollan. The New York Times Magazine, August 2, 2009, 10 pages.

The rise of cooking celebrities like Julia Child, Alice Waters, and Martha Stewart has been paralleled by the rise of fast food and home-cooking replacements. The author, the Knight Professor of Journalism at the University of California, Berkeley, discusses why home cooking is on the decline, despite the increasing popularity of cooking shows on television.

25. Volunteering in America

Corporation for National and Public Service, July 2009, 6 pages.

This report finds that, even during a time of prolonged economic recession, volunteering has remained steady, fueled by a compassion boom among young adults, and a wave of do-it-yourself volunteers working with their neighbors to fix problems. Available on the Net at

<http://www.volunteeringinamerica.gov/assets/resources/VolunteeringInAmericaResearchHighlights.pdf>